

**ARTICLES OF AMENDMENT  
OF THE  
ARTICLES OF INCORPORATION  
OF  
PREMERA**

Articles of Amendment of the Articles of Incorporation of PREMERA (the "Corporation"), a Washington nonprofit miscellaneous corporation, are hereby executed in duplicate by the Corporation, as follows:

1. Article IV, Section 1(B) shall be amended to read as follows:

B. To do any and all lawful activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the purposes set out in paragraph A of Section 1 of this Article IV or the purposes of the Corporation's ~~sole~~-voting ~~member~~members, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, ~~trust~~trusts, institutions, foundations or governmental bureaus, departments, or agencies.

2. Article V, Section 2 shall be amended to read as follows:

Section 2. Non-inurement. No part of the net income or of the surplus funds or of any distribution on dissolution of the Corporation shall inure to the benefit of, or be distributable to, directors, officers, or other natural persons, except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered, and the income and surplus fund and distributions on dissolution of the Corporation shall inure to the benefit of, and be distributable to the voting ~~member~~members; provided however, the Corporation may make distributions to other nonprofit corporations or nonprofit entities in furtherance of its purposes, as stated in Article IV.

3. Article VI shall be amended to read as follows:

**Article VI: Distribution of Surplus Funds**

Subject to Article V, the Corporation may distribute to ~~the~~its voting ~~member~~members surplus funds upon the adoption of a resolution of the Board of Directors declaring that a surplus exists and stating the amount of such surplus. The Corporation may also distribute surplus funds to any nonprofit corporation or other nonprofit entity upon the adoption of a resolution of the Board of Directors declaring that a surplus exists, stating the amount of such surplus and naming each nonprofit corporation or other nonprofit entity to which it is to be distributed and the total amount to be distributed to each such corporation or entity.

4. Article VII shall be deleted in its entirety and shall be replaced with the following:

#### **Article VII: Members**

The ~~sole~~-voting ~~member~~members of the Corporation shall be [Washington Foundation Shareholder], a Washington nonprofit corporation, and [Alaska Health Foundation], an Alaska nonprofit corporation. Whenever the ~~terms~~—“~~sole term~~” “voting ~~member~~,” “voting ~~member~~members,” “voting membership” or “~~Foundation~~Foundations” appear in these Articles of Incorporation, they shall be deemed to refer to [Washington Foundation Shareholder] and [Alaska Health Foundation].

5. Article XII shall be amended to read as follows:

#### **Article XII: Dissolution**

Section 1. Recipient of Distribution of Assets and Permissible Purposes. Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation (the “Liquidation Proceeds”), shall be distributed in the manner and solely for the purposes set out below:

A. If the ~~Foundation fulfills~~Foundations fulfill the conditions set forth in Section 2 of this Article XII, the Liquidation Proceeds shall be distributed to the ~~Foundation~~Foundations, subject to the limitations set forth in this Article XII, to be used exclusively to promote the health of the residents of the ~~states~~States of Washington and Alaska.

B. If the voting ~~member~~~~does~~members do not fulfill the conditions set forth in Section 2 of this Article XII, the Liquidation Proceeds shall be distributed, subject to the limitations set forth in this Article XII and approval of the Washington and Alaska Attorneys General, to one or more nonprofit corporations or other nonprofit entities upon the adoption of a resolution of the Board of Directors stating the amount of each distribution and identifying each nonprofit corporation or other nonprofit entity, to be used exclusively to promote the health of the residents of the states of Washington and Alaska.

C. Any distribution of the Liquidation Proceeds shall be subject to the limitations of applicable law, including federal tax law and any contractual obligations associated with the ~~Foundation's~~Foundations' receipt of such proceeds.

Section 2. Conditions for Distribution. The Liquidation Proceeds shall be distributed to the ~~Foundation~~Foundations only if the ~~Foundation~~Foundations (a) ~~is~~have been recognized or have applied for recognition by the Internal Revenue Service as exempt from federal taxation under Section 501(e)(4a) of the Internal Revenue Code of 1986, as amended; and (b) ~~has~~have not (i) amended ~~its~~, altered or repealed their respective Articles of Incorporation; and/or (eii) ~~has not~~ amended ~~its~~, altered or repealed their respective Bylaws.

6. The foregoing amendments were approved by unanimous written consent of all members of the Corporation entitled to vote with respect to thereto. Such consent was executed on or about \_\_\_\_\_, 200[ ].

DATED this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

PREMERA

By \_\_\_\_\_  
Its \_\_\_\_\_

**RESTATED ARTICLES OF INCORPORATION**  
**OF**  
**PREMERA**

The following Restated Articles of Incorporation are executed in duplicate by the undersigned in accordance with Chapter 24.06 of the Revised Code of Washington, as amended (the “Washington Nonprofit Miscellaneous and Mutual Corporations Act”).

**Article I: Name**

The name of the corporation shall be PREMERA (hereinafter referred to as the “Corporation”).

**Article II: Duration**

The Corporation shall have perpetual existence.

**Article III: Registered Office and Agent**

The address of the registered office of the Corporation and its registered agent shall be designated by the Corporation in accordance with law.

**Article IV: Purposes and Powers**

Section 1. Purposes. The purposes for which this Corporation is formed consist of the following:

A. To manage, coordinate, support and promote the activities of all nonprofit entities or nonprofit corporations of which it is the sole voting member, shareholder or in any other capacity the owner, offering Blue Cross and Blue Shield licensed plans, including, but not limited to, Premera Blue Cross.

B. To do any and all lawful activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the purposes set out in paragraph A of Section 1 of this Article IV or the purposes of the Corporation’s ~~sole~~-voting ~~member~~members, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations or governmental bureaus, departments, or agencies.

Section 2. Powers. In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Corporation's Articles of Incorporation or Bylaws, the Corporation shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation's purposes.

## **Article V: Limitations**

Section 1. Nonstock, Nonprofit Corporation. The Corporation shall not have or issue shares of stock. The Corporation shall not engage in any business, trade, vocation or profession for profit.

Section 2. Non-inurement. No part of the net income or of the surplus funds or of any distribution on dissolution of the Corporation shall inure to the benefit of, or be distributable to, directors, officers, or other natural persons, except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered, and the income and surplus fund and distributions on dissolution of the Corporation shall inure to the benefit of, and be distributable to the voting ~~member~~members; provided however, the Corporation may make distributions to other nonprofit corporations or nonprofit entities in furtherance of its purposes, as stated in Article IV.

## **Article VI: Distribution of Surplus Funds**

Subject to Article V, the Corporation may distribute to ~~the~~its voting ~~member~~members surplus funds upon the adoption of a resolution of the Board of Directors declaring that a surplus exists and stating the amount of such surplus. The Corporation may also distribute surplus funds to any nonprofit corporation or other nonprofit entity upon the adoption of a resolution of the Board of Directors declaring that a surplus exists, stating the amount of such surplus and naming each nonprofit corporation or other nonprofit entity to which it is to be distributed and the total amount to be distributed to each such corporation or entity.

## **Article VII: Members**

The ~~sole~~-voting ~~member~~members of the Corporation shall be [Washington Foundation Shareholder], a Washington nonprofit corporation, and [Alaska Health Foundation], an Alaska nonprofit corporation. Whenever the terms "~~sole~~-voting ~~member~~," "~~voting member~~members," "voting membership" or "~~Foundation~~Foundations" appear in these Articles of Incorporation, they shall be deemed to refer to [Washington Foundation Shareholder] and [Alaska Health Foundation].

## **Article VIII: Directors**

The affairs of the Corporation shall be managed by a board of directors.

The powers and duties, number, qualifications, terms of office, manner of election, time and criteria for removal of directors shall be as set forth in the Bylaws the Corporation.

## **Article IX: Director Liability Limitations**

To the full extent permitted under the laws of the State of Washington, a director shall have no liability to the Corporation or its members, if any, for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by a director, where the director votes or assents to a distribution which is unlawful, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. If the Washington Nonprofit Miscellaneous and Mutual Corporations Act or any other applicable law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Miscellaneous and Mutual Corporations Act or such applicable law, as so amended. Any repeal or modification of this Article IX shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

## **Article X: Indemnification**

Section 1. Right to Indemnification. Each person who was, or is threatened to be, made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee, physician consultant, or member of a committee or panel of the Corporation, including, but not limited to, a medical advisory committee or panel, or, while in such capacity, he or she is or was serving at the request of the Corporation as a director, trustee, officer, partner, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise, or employee benefit plan shall be indemnified and held harmless by the Corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee, physician consultant, or member of a Committee or panel of the Corporation, including, but not limited to, a medical advisory committee or panel, and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Provided, however, that except as provided in Section 2 of this Article X with respect to proceedings seeking solely to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to have paid by the Corporation the expenses incurred in connection with any such proceeding in advance of its final disposition. Provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation, by such person to whom this Section 1 applies, of an affirmation of his or her good faith belief that he or she has met the standard of conduct required

by applicable law for indemnification and an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that he or she is not entitled to be indemnified under this Section 1 or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim for which indemnification is required under Section 1 of this Article X is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article X upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the Corporation), and thereafter the Corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its members, if any) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses of the claimant is proper in the circumstances nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its members, if any) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

Section 3. Nonexclusivity of Rights. The rights conferred under this Article X shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, any provision of the Articles of Incorporation or Bylaws of the Corporation, any agreement, document or other instrument, or by vote of members, if any, or of disinterested directors of the Corporation, or otherwise.

Section 4. Insurance, Contracts and Funding. The Corporation may maintain insurance at its expense to protect itself and any director, trustee, officer, member of a committee or panel, employee or agent of the Corporation or another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such persons against such expense, liability or loss under applicable law. The Corporation may, without further membership action, enter into contracts with any such person in furtherance of the provisions of this Article X and may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article X.

Section 5. Indemnification of Other Agents of the Corporation. The Corporation may, by action of its Board of Directors, or such officers of the Corporation as the Board of Directors may designate, from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to agents of the Corporation other than those set

forth in Section 1 above of this Article X with the same scope and effect as provided under this Article X.

Section 6. Repeal or Modification. No repeal or modification of this Article X shall adversely affect any right or protection of any such director, officer, employee, physician consultant, or member of a committee or panel of the Corporation, including, but not limited to, a medical advisory committee or panel, existing at the time of such repeal or modification for or with respect to any act or omission of such person occurring prior to such repeal or modification.

## **Article XI: Bylaws**

The authority to alter, amend or repeal bylaws is vested in the Board of Directors and shall be exercised as provided in the Bylaws.

## **Article XII: Dissolution**

Section 1. Recipient of Distribution of Assets and Permissible Purposes. Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation (the "Liquidation Proceeds"), shall be distributed in the manner and solely for the purposes set out below:

A. If the ~~Foundation fulfills~~Foundations fulfill the conditions set forth in Section 2 of this Article XII, the Liquidation Proceeds shall be distributed to the ~~Foundation~~Foundations, subject to the limitations set forth in this Article XII, to be used exclusively to promote the health of the residents of the ~~states~~States of Washington and Alaska.

B. If the voting ~~member does~~members do not fulfill the conditions set forth in Section 2 of this Article XII, the Liquidation Proceeds shall be distributed, subject to the limitations set forth in this Article XII and approval of the Washington and Alaska Attorneys General, to one or more nonprofit corporations or other nonprofit entities upon the adoption of a resolution of the Board of Directors stating the amount of each distribution and identifying each nonprofit corporation or other nonprofit entity, to be used exclusively to promote the health of the residents of the states of Washington and Alaska.

C. Any distribution of the Liquidation Proceeds shall be subject to the limitations of applicable law, including federal tax law and any contractual obligations associated with the ~~Foundation's~~Foundations' receipt of such proceeds.

Section 2. Conditions for Distribution. The Liquidation Proceeds shall be distributed to the ~~Foundation~~Foundations only if the ~~Foundation~~Foundations (a) ~~is~~have been recognized or have applied for recognition by the Internal Revenue Service as exempt from federal taxation under Section 501(~~e~~)(~~4~~a) of the Internal Revenue Code of 1986, as amended; and (b) ~~has~~have not (~~i~~) amended ~~its~~, altered or repealed their respective Articles of Incorporation; and (~~eii~~) ~~has not~~ amended ~~its~~, altered or repealed their respective Bylaws.



*[Remaining space intentionally left blank.]*

The foregoing Restated Articles of Incorporation correctly set forth without change the provisions of the Articles of Incorporation of the undersigned Corporation, as amended, and supersede the original Articles of Incorporation and all amendments thereto. Said Restated Articles of Incorporation were adopted at the meeting of the Corporation's Board of Directors held on \_\_\_\_\_, 200\_\_, and received the affirmative vote of a majority of directors then in office; and said Restated Articles of Incorporation also were approved by unanimous written consent of all members of the Corporation entitled to vote with respect to thereto. Such consent was executed on or about \_\_\_\_\_, 200[ ].

DATED: \_\_\_\_\_, 200\_\_

**PREMERA**

By \_\_\_\_\_  
H.R. Brereton Barlow  
President and Chief Executive Officer

